

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 18, 2007
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Ben Ferry, Co-Chair
Sen. Margaret Dayton
Rep. Roger Barrus
Rep. Jack Draxler
Rep. Carl Duckworth
Rep. Kerry W. Gibson
Rep. James R. Gowans
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Steve Sandstrom

MEMBERS ABSENT: Sen. Mike Dmitrich and Sen. John Valentine

STAFF: Ivan Djambov, Fiscal Analyst
Diane Obeshaw, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

SPEAKERS: Executive Director of Utah State Fair Corporations Rick Furnett, Chairman of the Board Lauren Monch, Commissioner Leonard Blackham, Dept. of Agriculture, Deputy Commissioner Kyle Stephens, Public Information Officer Larry Lewis, Rancher from Tooele Jim Acker, Chairman of Grazing and Improvement Program Jade Hammer, Director of Division of Marketing for Utah's Own Jed Christensen, Owners of Fat Boy Ice Cream Kerry and Gail Smith, Owner of Collosumo Sausage Paul Collosumo, President of Utah Wheat Growers Association Bill Gilson, Division Director with Dept of Agriculture Terry Menlove, Gordon Yonker with Utah Conservation District, Vice President Wendell Steinrich Kamas Valley Conservation District.

Sen. Stowell called the meeting to order at 2:27 p.m. He also moved to approve the minutes of January 10, 2007. The motion passed unanimously with Rep. Dmitrich and Rep Valentine absent for the vote.

Fiscal Analyst Ivan Djambov began with a brief overview of the Dept. of Agriculture and Food. He discussed how they have spent their appropriations for FY 2006. He then addressed the Budget Brief for the Dept of Agriculture and Food. He talked about their responsibilities for Utah's agricultural laws which mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control and improving the economic position of agriculture and consumer protection. He also stated that part of this budget includes the Utah State Fair Corporation even though

they're not part of this organization.

He then went over three increases that the Department is proposing. One of the increases is for the Pesticide Fee Increase: \$80,000 for the Grain Inspection Program, \$60,000 for Homeland Security and \$130,000 for the Weed Program. The second proposed request is for funding for a new Meat Inspector. He reported that in the last two years 11 new plants and slaughter houses were opened in rural Utah, with an additional seven to be opened in the first part of 2007. In order to provide adequate meat inspection in those areas, the Dept is requesting ongoing appropriations for the General Fund. The third request was for Utah's Own Promotion for FY 2008 if there is a need. This last issue is discussed later on in this meeting.

Fiscal Analyst Ivan Djambov then requested appropriations to start an Agricultural Energy Development Program, which will provide direction, guidance, and correlation for the development of new energy sources in the agricultural sector. He stated that this department is to work closely with producers, scientists and other agencies to assure that effective and efficient production methods are developed and implemented. The Analyst recommends the Committee provide a one-time funding of \$45,000 from the Rural Rehab Loan restricted funds. The last request is from the Utah State Fair Corporation. They are requesting a reimbursement for \$313,000 for capital improvements to the State Fairpark incurred during 2006. They explained the expenditures were for infrastructure and other emergency repairs necessary to host the 2006 Utah State Fair.

Executive Director of Utah State Fair Corporations Rick Furnett and Chairman of the Board Lauren Monch then presented their needs for additional appropriations. They also described many of the benefits the State Fair offers the citizens of Utah and surrounding states. Some of the benefits they mentioned was the education they provide to families such as how to be prepared for disasters, E-Coli information, how it spreads, etc, and food and agriculture information to school children and their families. In addition to their reimbursement needs, they requested appropriations in the arena of \$100,000 to supplement them so they can get their cash reserves back, and to continue to facilitate the Utah State Fair.

Rep. Gowans moved to start the process of an appropriation for the Utah State Fair Corporation. The motion passed unanimously with Rep. Dmitrich and Rep Valentine absent for the vote.

From the Dept of Agriculture, Commissioner Leonard Blackham, Deputy Commissioner Kyle Stephens, and Public Information Officer Larry Lewis spoke and showed a presentation on the subject of Land and Water Resources. They requested \$2 million for their GIP (Grazing Improvement Program). They elaborated on how Utah Conservation and Utah's outdoor recreation relies on natural resources. They mentioned the other agencies that are major players that also rely on Utah's natural resources, for example: Utah Farmer's for Conservation and Development, Dept of Food and Agriculture, SITLA, NRCS, RCND, BLM, Forest Service, Farm

Service Agency and the Fish and Game Agency.

They requested that the Committee approves H.B. 102 because then GIP will automatically get the funding they need in order to maintain the quality of life in Utah.

Rancher from Vernon in Tooele County Jim Acker, spoke about the importance of maintaining quality land in Utah not only for ranchers, farmers and Utah citizens but also for keeping good wildlife habitat.

Chairman of Grazing and Improvement Program, as well as rancher Jade Hammer, spoke about how he supports this legislation to support farmers and ranchers in managing our lands properly.

Deputy Commissioner Kyle Stephens spoke about meat Inspection programs in Utah. He also passed us a hand-out that he brought. He then reiterated a bit on what Fiscal Analyst Ivan Djambov had mentioned earlier regarding the need for another meat inspector in Utah.

'Utah's Own' Jed Christensen shared what they've been doing with their \$400,000 and that is in promoting Utahns to purchase Utah products first. Products that are grown, manufactured and made here in Utah. He stated that as of March 2007 they will have spent \$210,00 out of that \$400,00. They also have committed approximately \$50,000 for a spring promotion they've been working on with Bonneville Media Group and Associated Food Stores.

Fat Boy Ice Cream owners Kerry and Gail Smith introduced their marketing experience and then went on to talk about how Utah's milk and dairy products have benefitted from his company. He states he's continually looking for ways to promote Utah products and is asking ANRA for support for Utah's Own.

Owner of Collosumo Sausage Paul Collosumo talked about how Utah's Own has helped his company and he supports them because he doesn't want Utahns to buy sausage from Wisconsin.

President of Utah Wheat Growers Association Bill Gilson explained how they have brought in \$70,000 and more, from the money they received from UDAF, and how Utah Wheat Growers continues to benefit Utahns.

Gordon Yonker with Utah Conservation District spoke about how he supports the grazing improvement program, and requested \$160,000 for planning and \$40,000 for Conservation District operations which breaks down to \$1,000 per district. Total requested is \$200,000

Sen. Stowell moved to adjourn the meeting at 4:55 p.m. The motion passed unanimously with

Natural Resources Appropriations Subcommittee
January 18, 2005
Page 4

Rep. Dmitrich, Rep Valentine, Rep. Barrus and Rep Sandstrom absent for the vote.

Rep. Ben Ferry, Co-Chairman

Sen. Dennis Stowell, Co-Chairman